

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL MEMORANDUM

HB 885 – SB 1561

June 1, 2009

SUMMARY OF AMENDMENT (009227): Deletes all language after the enacting clause of the original bill. Requires the executive director of the Tennessee Higher Education Commission (THEC) to convene a committee to study the concept of promise zones and the feasibility of pilot projects in the cities of Memphis and Knoxville. The executive director shall make a report to the Education Committees of the General Assembly by February 1, 2010.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Not Significant

Increase Local Expenditures – Exceeds \$100,000,000*

Other Fiscal Impact – A portion of state education taxes earmarked for education will transfer into a dedicated fund for promise zone scholarships. Such a transfer in funds is dependent upon the number of students living within the promise zone and the portion of the state education tax that would have been otherwise received. The amount of scholarship money required if 10 percent of at-risk children participate in a promise zone will be approximately \$295,550,000. It is unknown if a shift in funds from the state education sales and use tax would be sufficient to fully fund a promise zone.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures – Not Significant

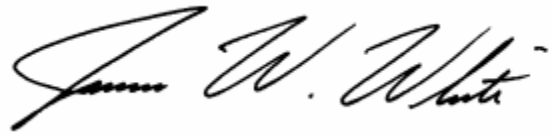
Increase Local Expenditures – Not Significant

Assumptions applied to amendment:

- According to the city of Memphis and Knox County, mayors of those local governments have official travel budgets and will not receive any additional travel reimbursement since this study committee will be considered part of their official duties. If local mayors sent a designee, travel costs outside of the travel budget will be incurred. Any increase in local expenditures for travel costs are estimated to be not significant.
- Meetings will be held in Nashville.
- According to the University of Tennessee and Tennessee Board of Regents, any travel costs are estimated to be not significant.
- Meetings may take place via phone or some other method.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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